



# STR Industry and Market Update

HSMAI Austin Chapter

June 18, 2020

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# Today's Speaker

U.S. Industry Update including Austin, TX Market Overview



**Veronica Andrews, CRME**

Director,  
Digital Data Solutions - STR

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# Agenda

## Understanding STR Data



# 1.

### U.S. Industry Update

Total U.S. trends, including Top 25 markets.

# 2.

### Austin, TX Market Update

STR Austin, TX market update.

# 3.

### Pipeline

Overview of current hotel rooms supply and new construction.

# 4.

### Forecast

STR Forecasts the remainder of 2020 and 2021.

# 5.

### Q&A

Answers to your questions.



# Before we begin...

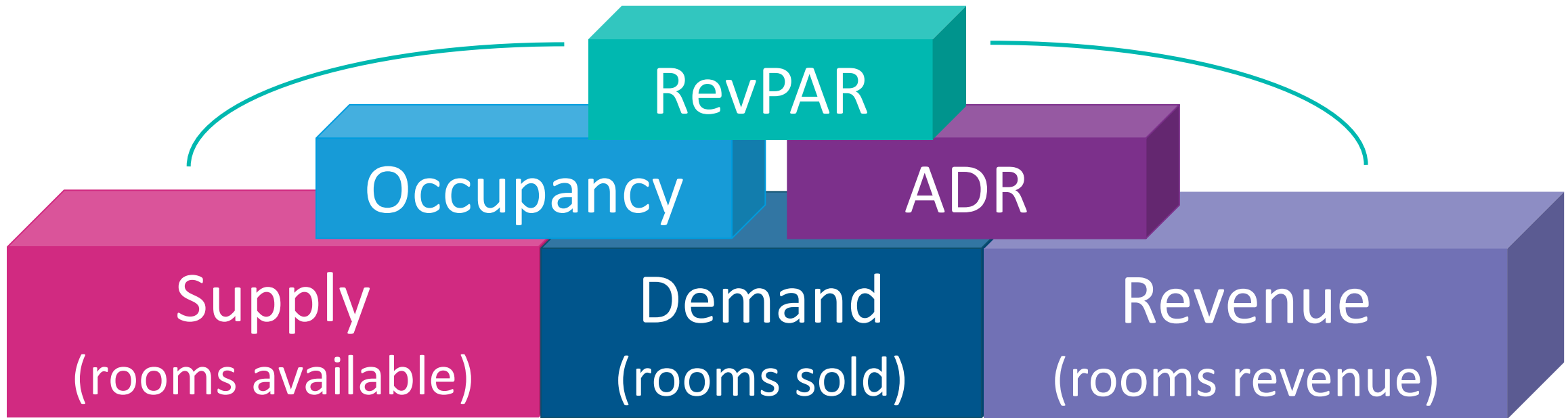
## How the Industry Stacks Up



**HOTEL DATA**  
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# Building Blocks of STR Benchmarking





# Data isn't the story, it *tells* the story...

- Raw data: Supply, Demand, Revenue
- Metrics: Occupancy, ADR, RevPAR
- Analysis: growth, short term trends, trends over time

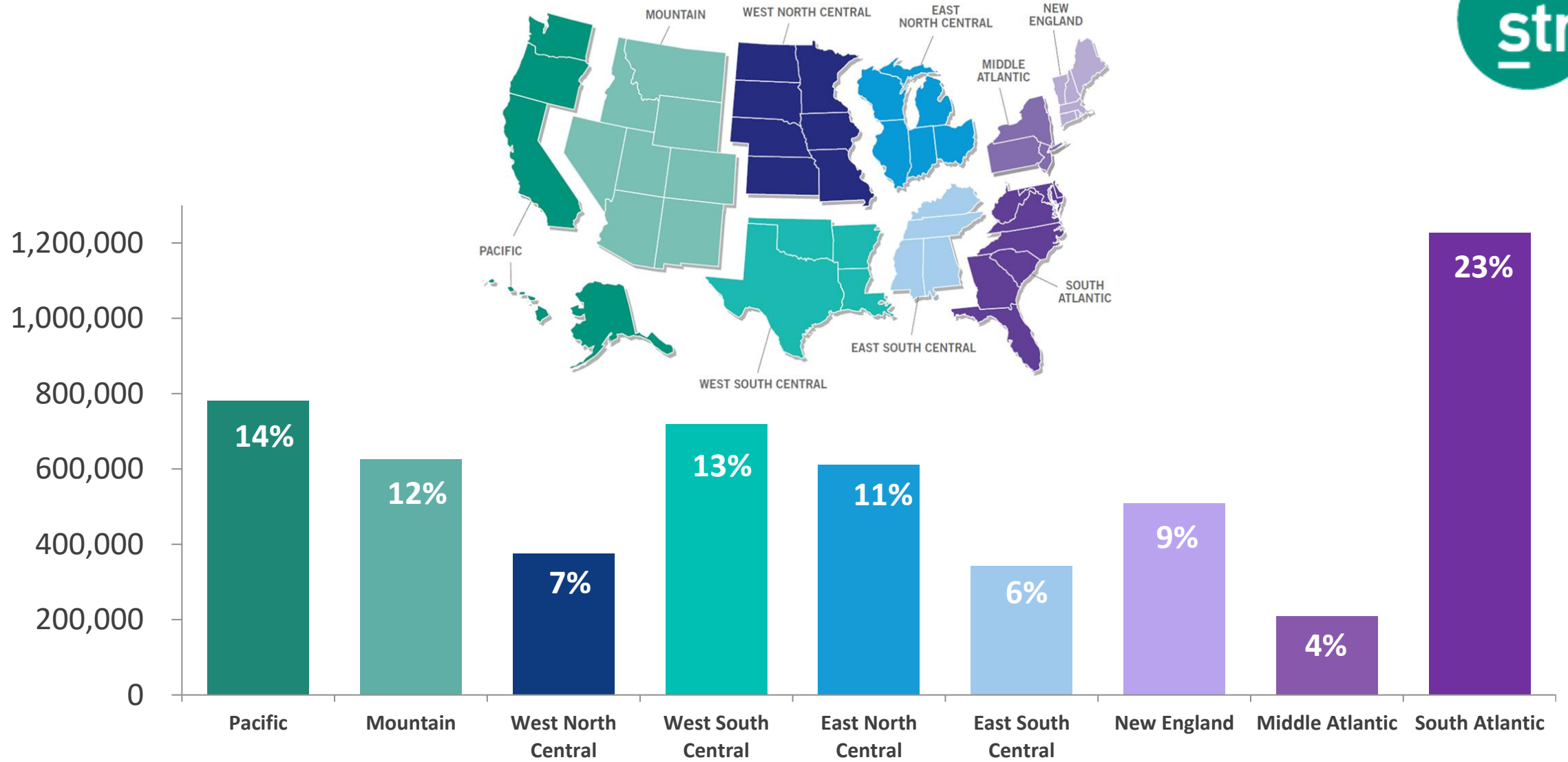


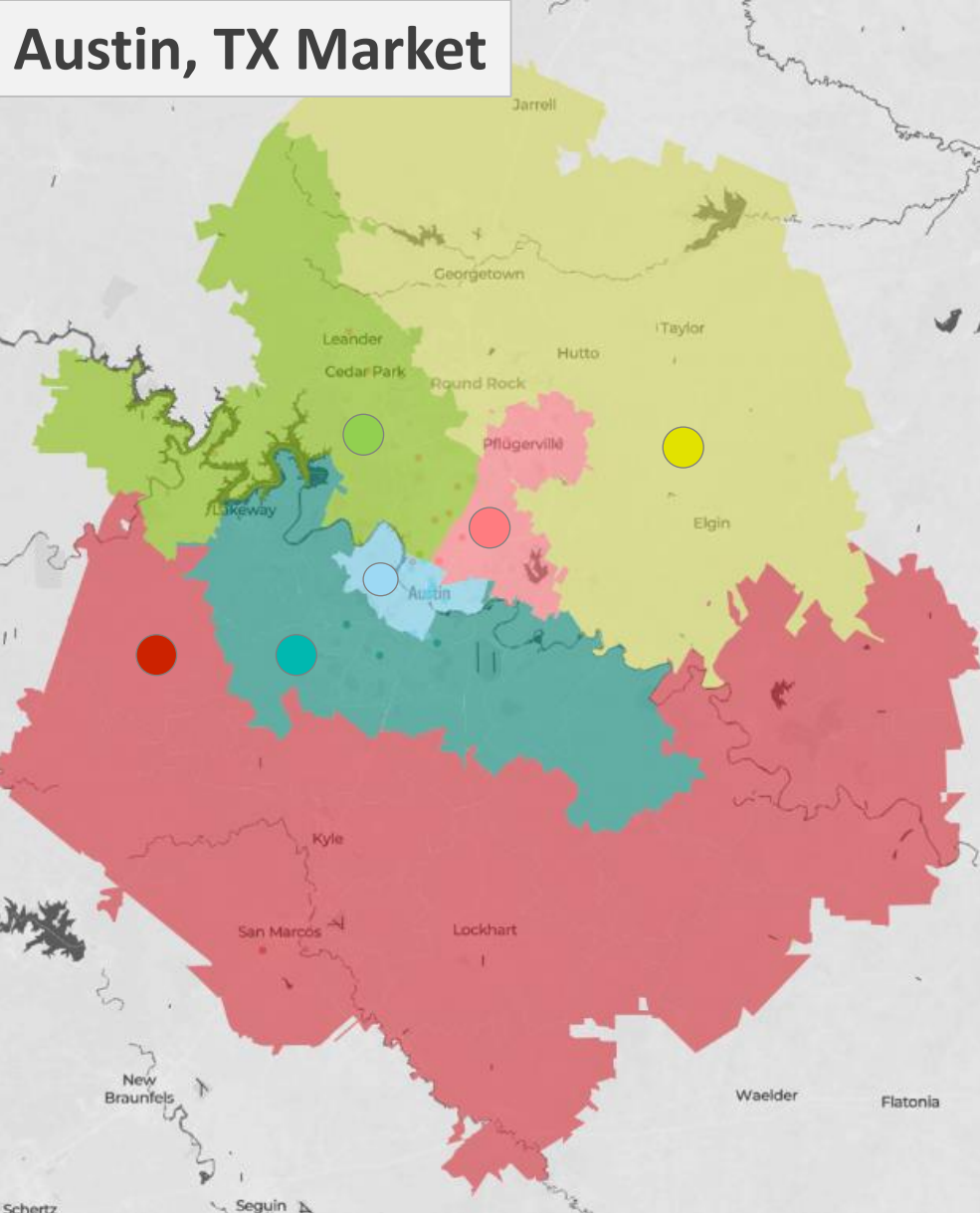
# Class Review

## Examples of Brands by Classification

<b>Luxury:</b>	Fairmont, Four Seasons, Loews, Ritz-Carlton
<b>Upper Upscale:</b>	Hilton, Hyatt Regency, Omni, Westin
<b>Upscale:</b>	Courtyard, DoubleTree, Sonesta, Wyndham
<b>Upper Midscale:</b>	Best Western Plus, Hampton Inn, Holiday Inn
<b>Midscale:</b>	Quality Inn, Ramada, Tru
<b>Economy:</b>	Days Inn, Motel 6, Red Roof Inn







-  Austin Central Business District, TX
-  Austin Northwest/Arboretum, TX
-  Austin US-290/I-35 Area, TX
-  Round Rock/Georgetown, TX
-  San Marcos/Austin Surrounding, TX
-  South Austin/Airport, TX

## Key Statistics

Austin, TX Market – April 2020 12MMA

		<u>% chg</u>
Occ	64.3%	-9.7%
ADR	\$137	-3.5%
RevPAR	\$88	-12.9%
Rm Rev	\$1.3bn	-9.1%
Supply	15.2mn	4.3%
Demand	9.8mn	-5.8%



# Performance Trends



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# Worst Single Month Ever

Total US, April 2020



		% Change
Room Supply		-12.1%
Room Demand		-68.3%
Occupancy	24.5%	-63.9%
ADR	\$73	-44.4%
RevPAR	\$18	-79.9%
Room Revenue		-82.4%

# JAN / FEB Hide The Apocalypse of MAR / APR 2020

Total US, YTD April 2020



		% Change
Room Supply		-1.5%
Room Demand		-28.8%
Occupancy	45.7%	-27.7%
ADR	\$118	-9.2%
RevPAR	\$54	-34.3%
Room Revenue		-35.3%

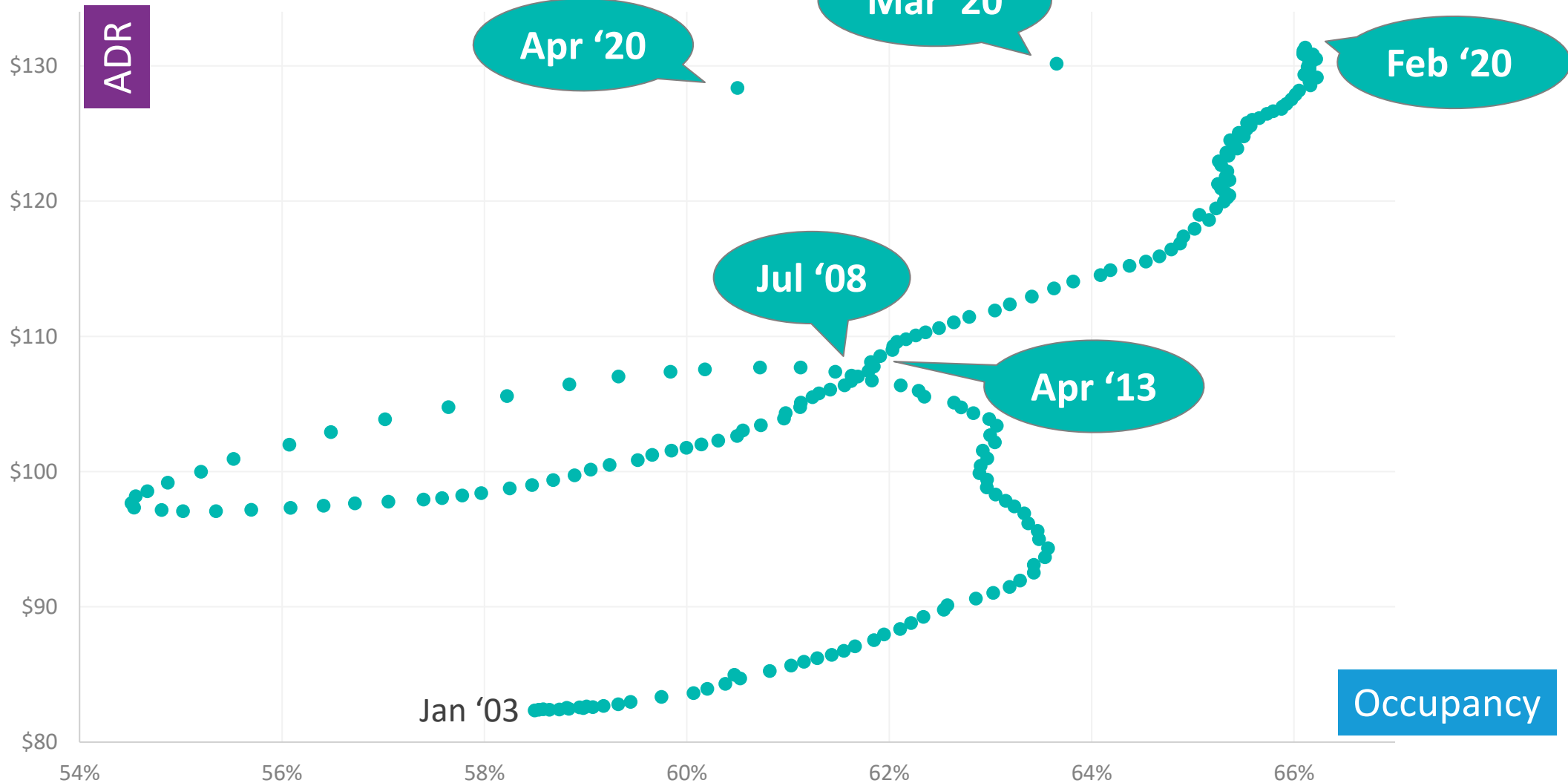
# Two Very Bad Months Make For A Bad Year

Total US, 12 MMA April 2020

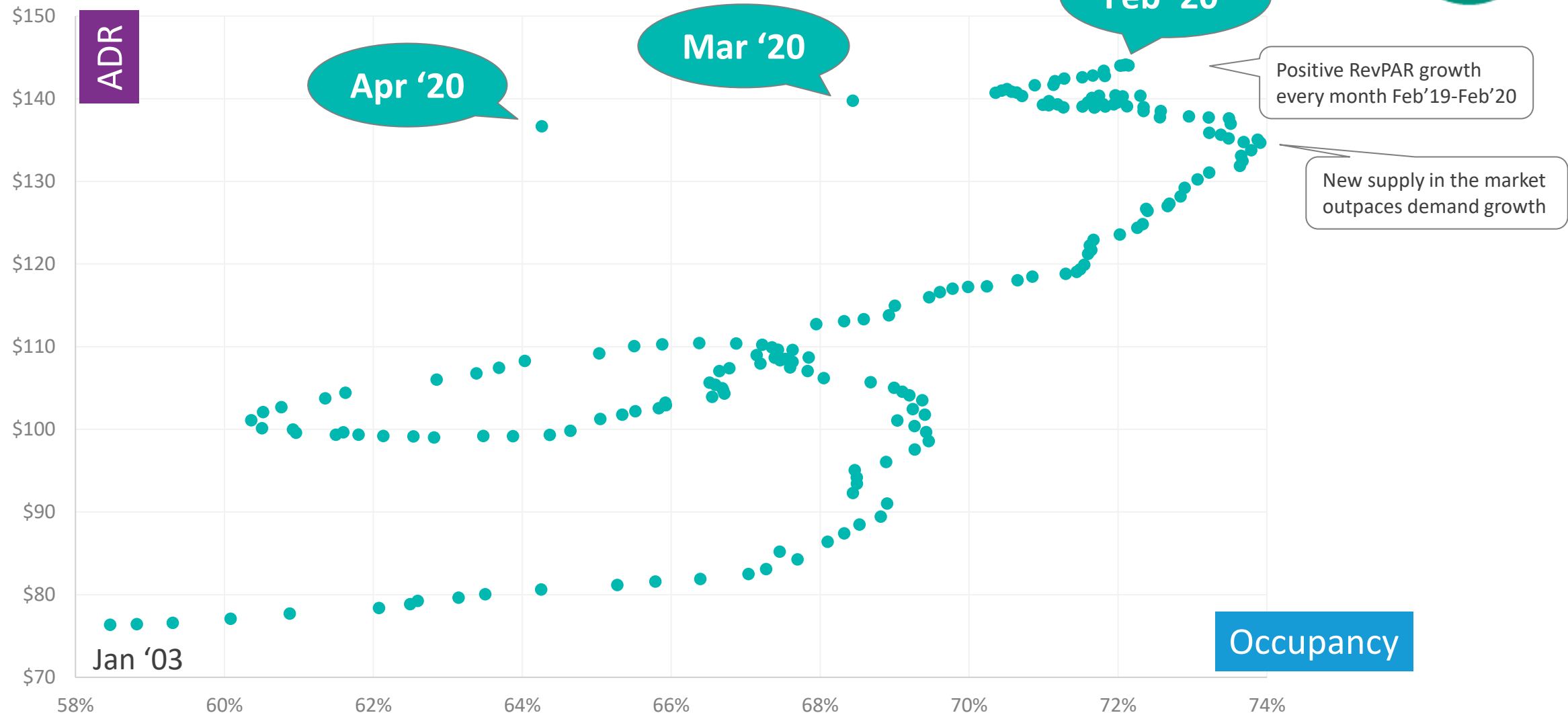


		% Change
Room Supply		0.8%
Room Demand		-7.8%
Occupancy	60.5%	-8.6%
ADR	\$128	-1.5%
RevPAR	\$78	-9.9%
Room Revenue		-9.2%

# Total U.S. RevPAR Velocity



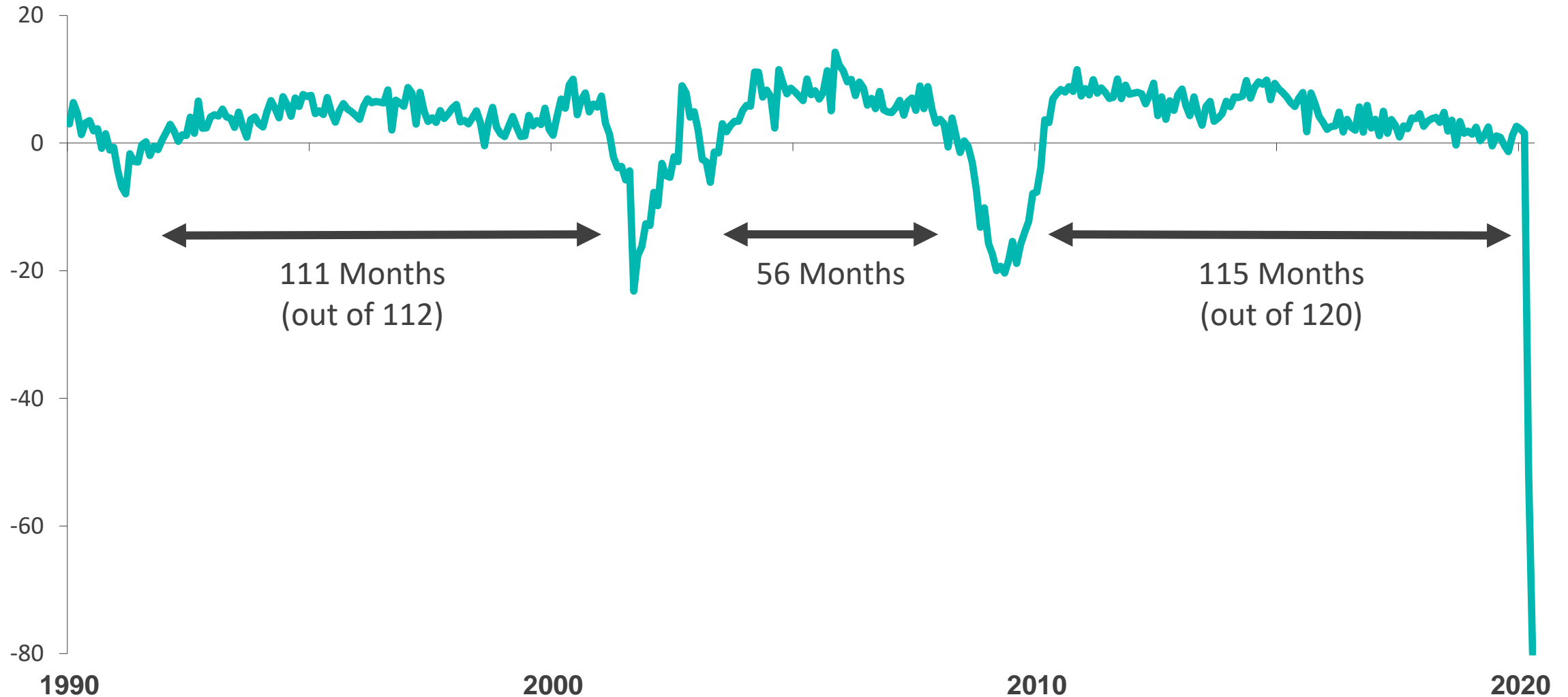
# Austin, TX Market RevPAR Velocity



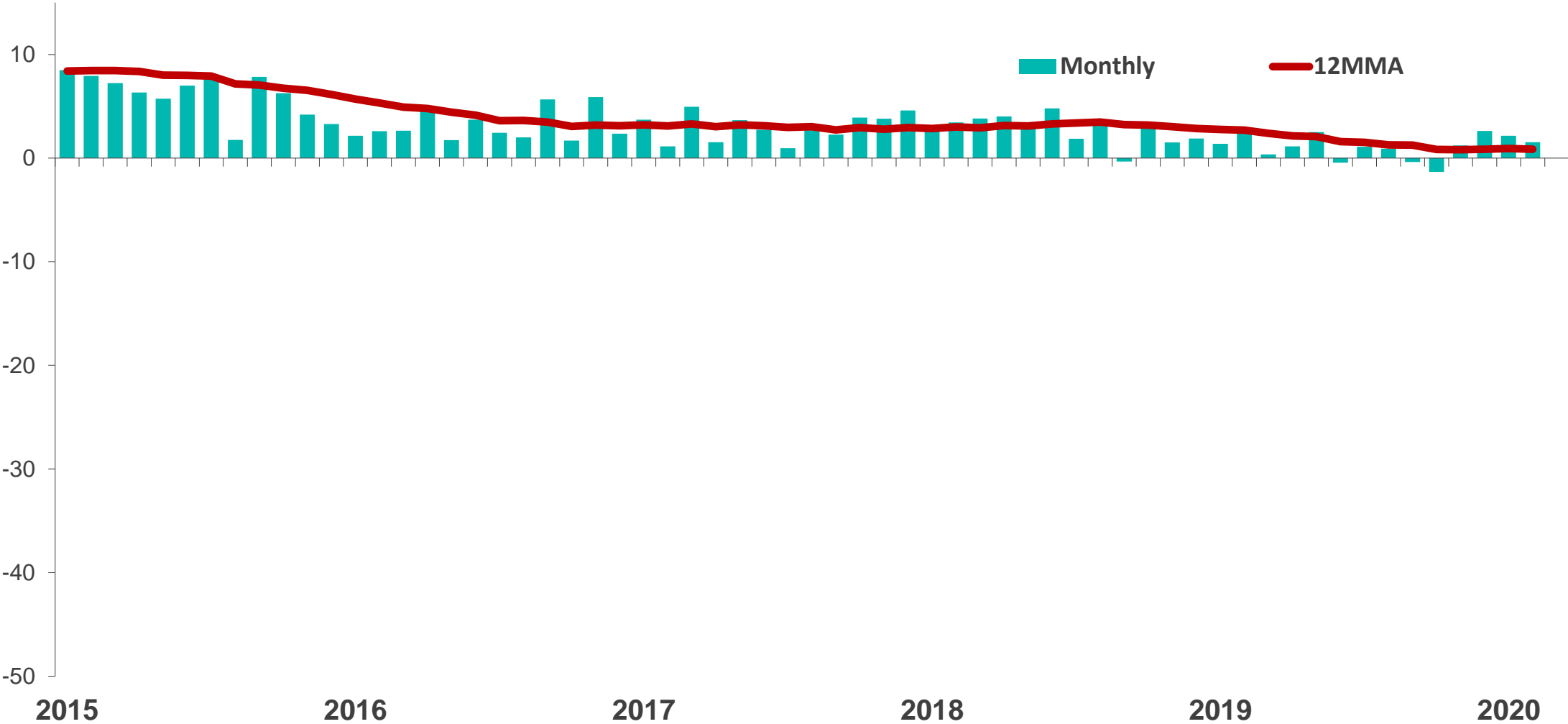


# Monthly RevPAR Decline: Worst. Ever.

Total U.S. January 1990 – April 2020



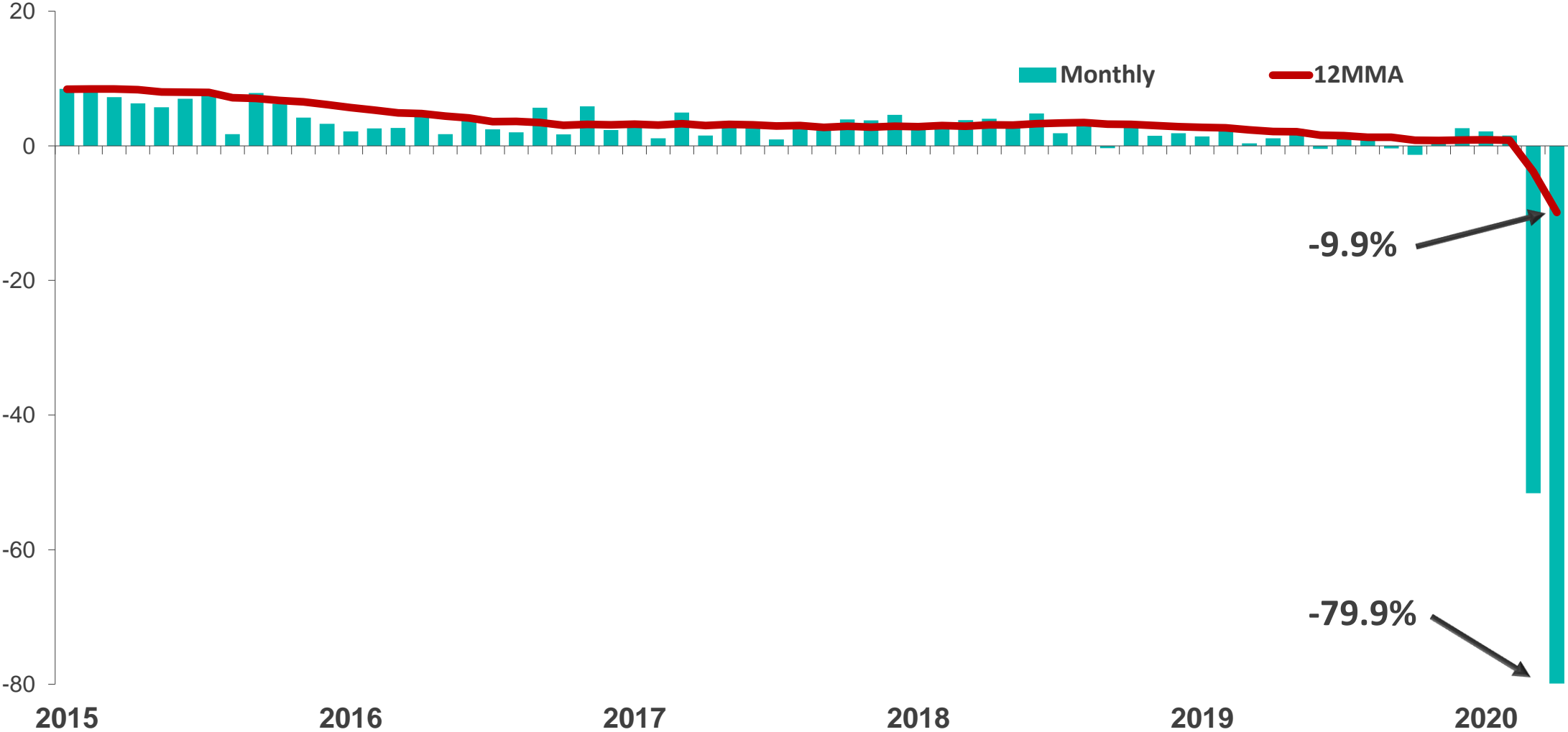
# US Industry RevPAR Growth: Erratic Monthly Numbers, 3 Declines in 2019, Positive Growth Trend was Slowing



Total U.S. RevPAR % Change by month and 12MMA - January 2015 – February 2020

Source: STR. 2020 © CoStar Realty Information, Inc.

# US Industry RevPAR Growth: Positive Trend was Slowing Today: Worst Ever.



Total U.S. RevPAR % Change by month and 12MMA - January 2015 – April 2020

Source: STR. 2020 © CoStar Realty Information, Inc.



# Class Review

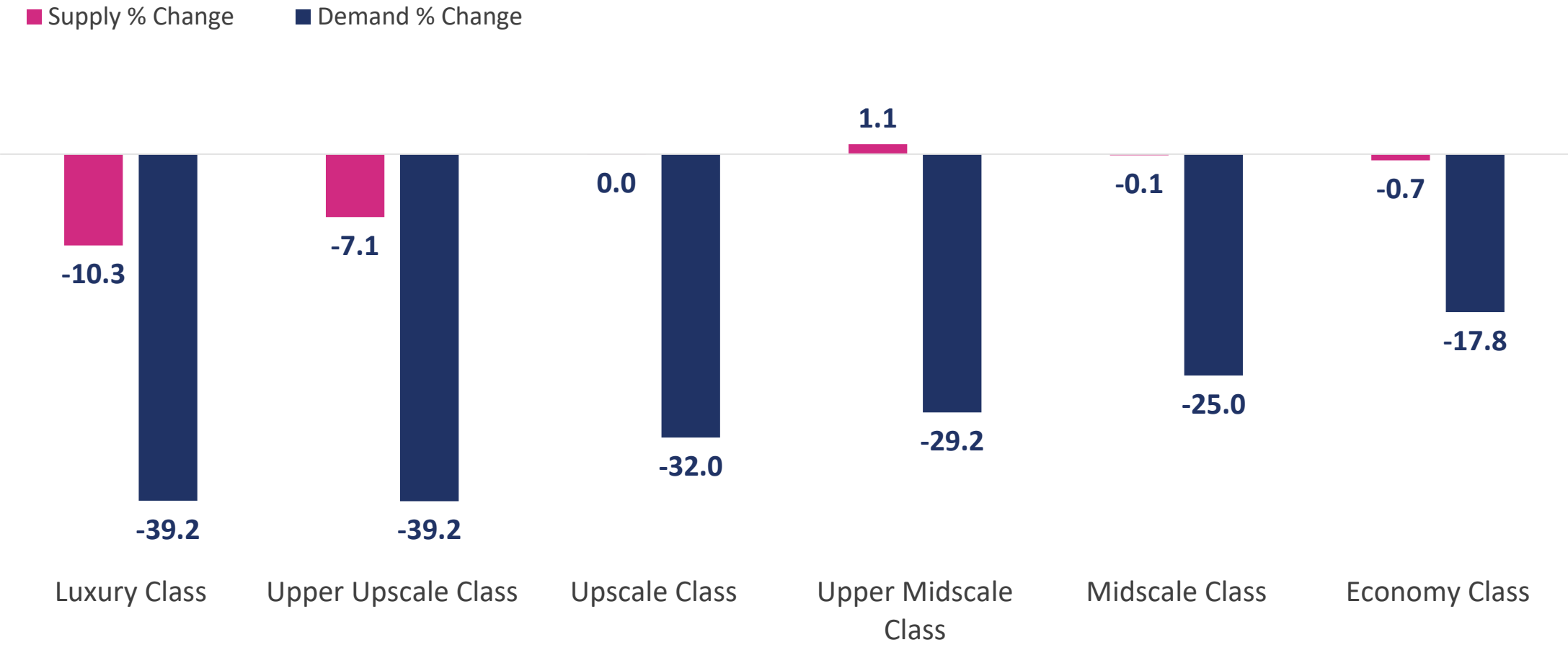


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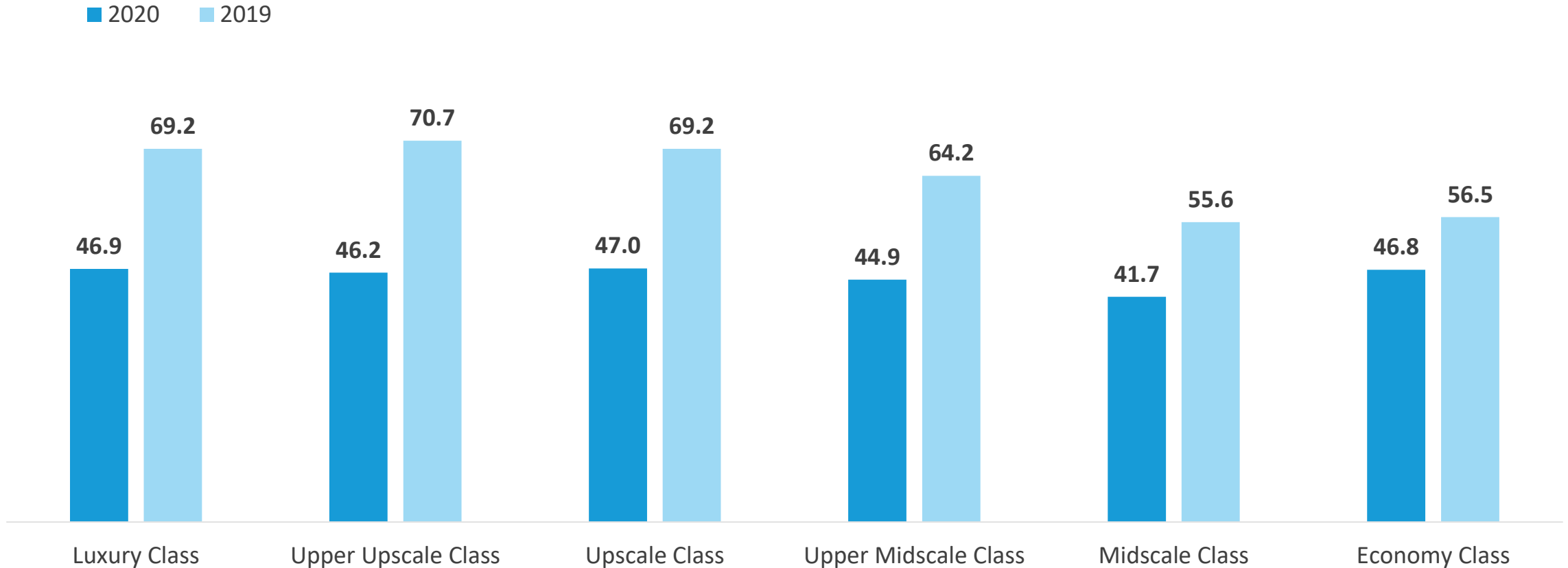
# Class: High End Hotels Close Temporarily

YTD April 2020



# Occupancy Holds At Lower End

By Class, YTD April 2020 & 2019

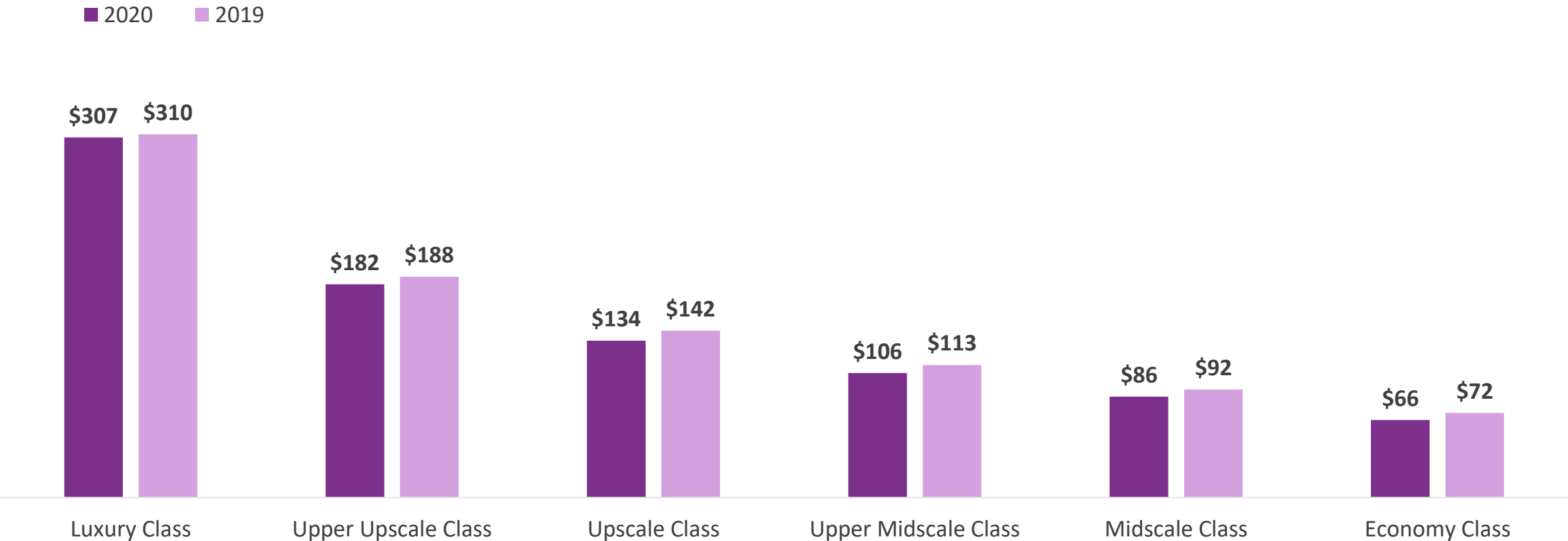


Occupancy based on number of rooms available to sell – April YTD 2020 and 2019

Source: STR. 2020 © CoStar Realty Information, Inc.

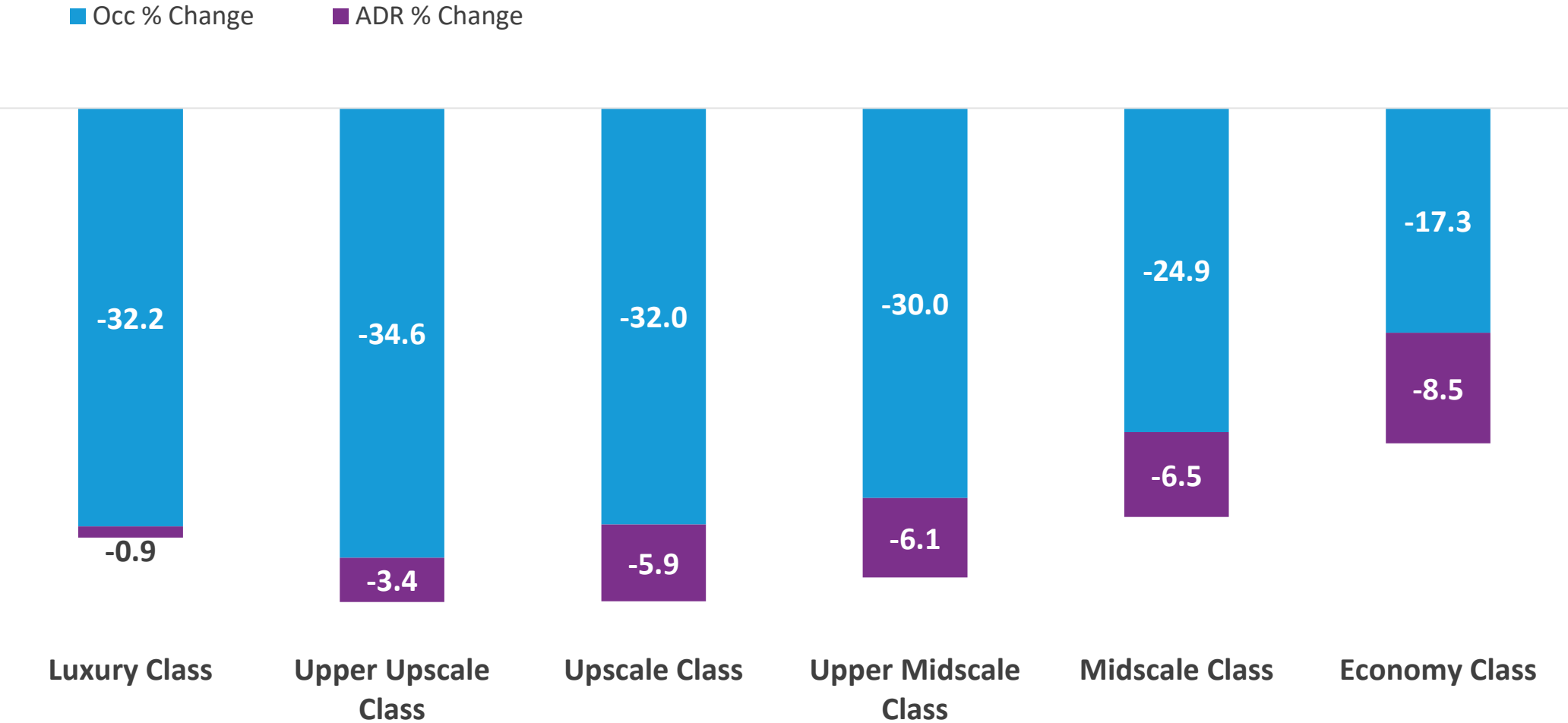
# ADR Holds – But For How Long?

by Class, YTD April 2020 & 2019



# Class: No Demand = No Occupancy

YTD April 2020



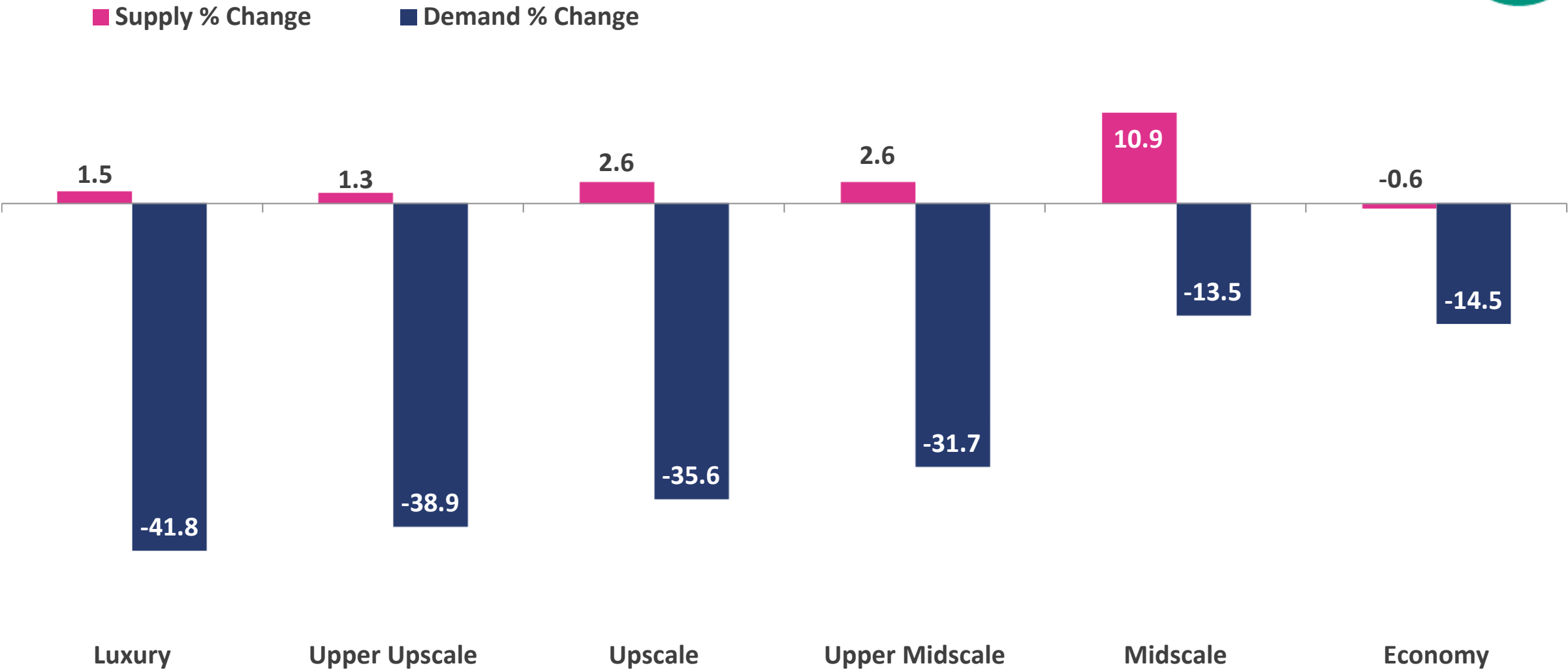


# RevPAR Growth Declines Sharply

By Class, YTD April 2020



# Austin, TX Market Supply and Demand Story

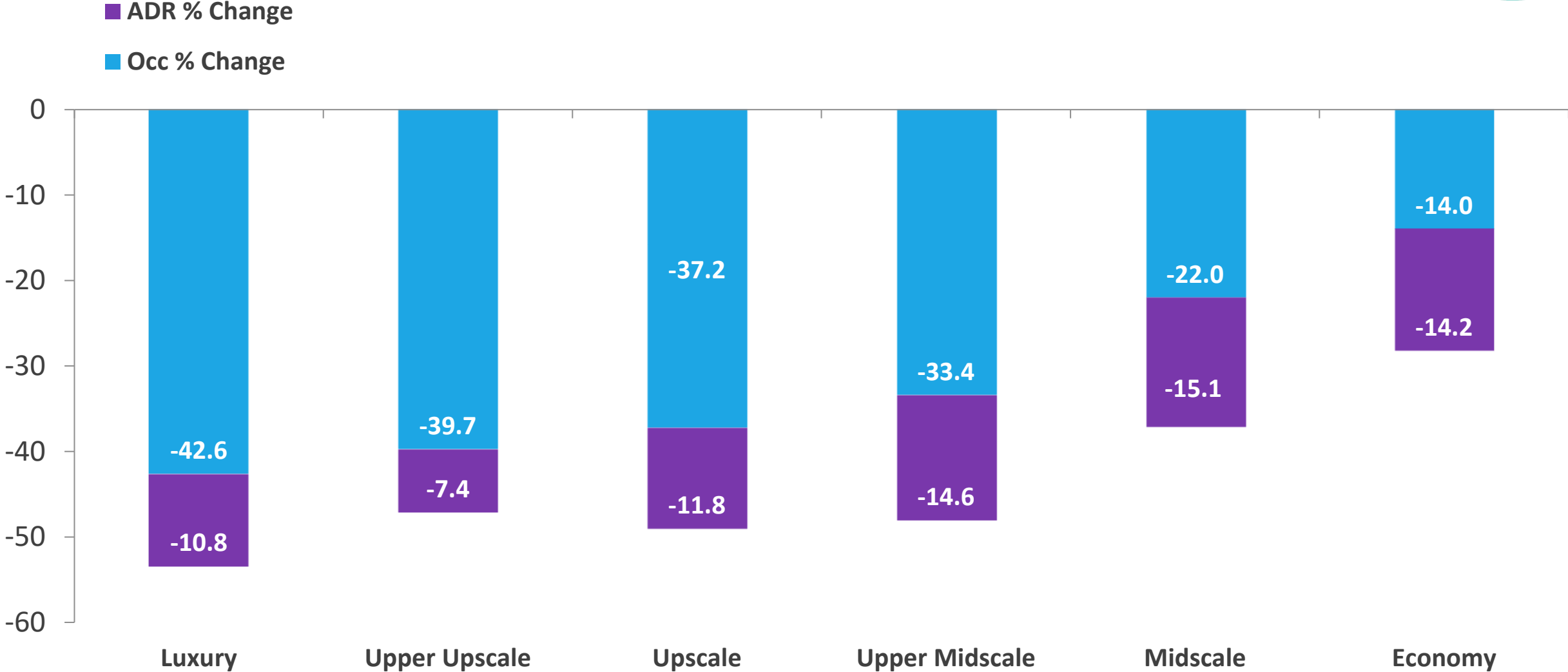


Austin, TX Market Supply % Change and Demand % Change, by Class, April 2020 YTD

Source: STR. 2020 © CoStar Realty Information, Inc.

# Austin, TX RevPAR Results:

## All classes lose Occupancy, all struggle with ADR growth





# Top 25 Markets

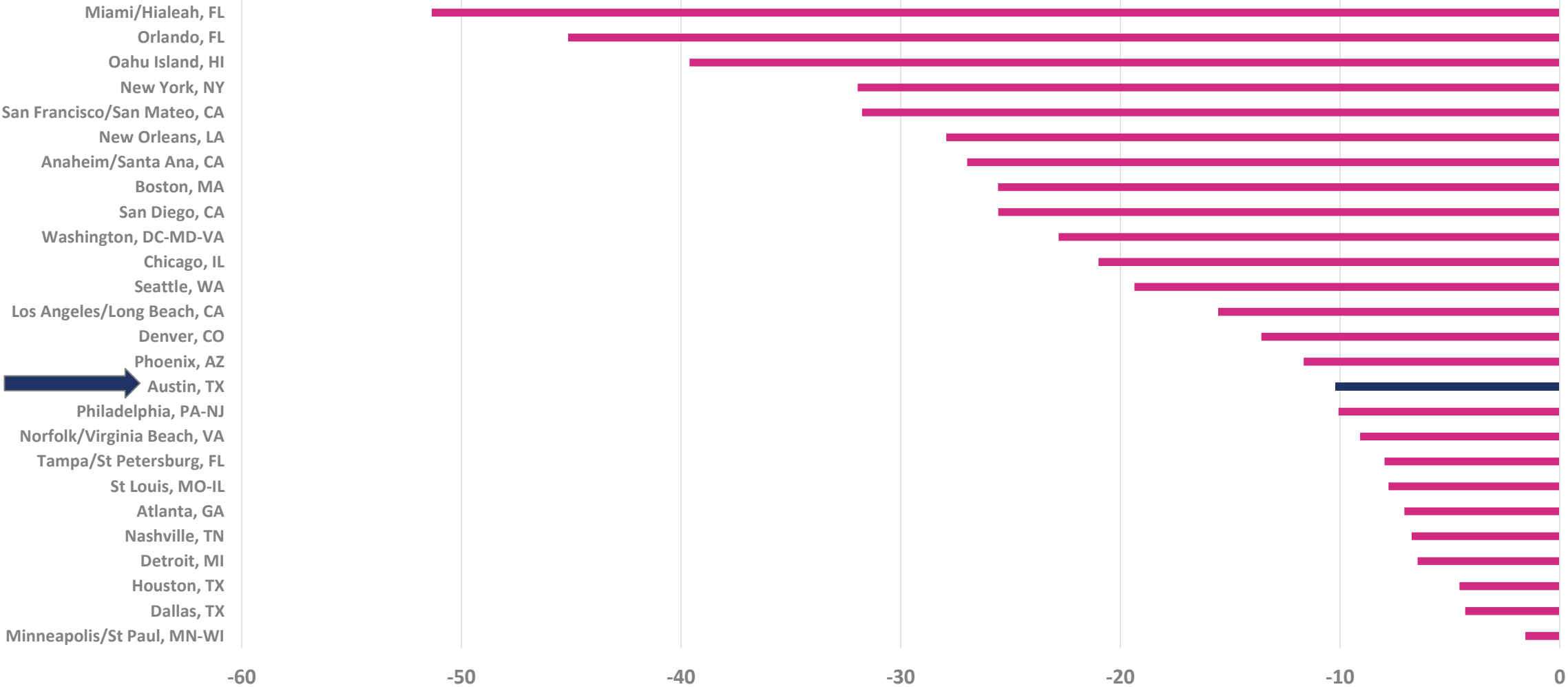


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# Top 25 Supply Declines: 5 Markets Closed Over 30% Of Rooms

Supply %, 04/20



Source: STR. 2020 © CoStar Realty Information, Inc.

# Top 25: Pandemic Shock

YTD April 2020



Market	OCC %	RevPAR % Change	Influenced By
Miami/Hialeah, FL	63.5	-18.8	Covid-19
Oahu Island, HI	61.2	-23.1	Covid-19
Orlando, FL	59.5	-31.0	Covid-19
Tampa/St Petersburg, FL	59.4	-31.1	Covid-19
Phoenix, AZ	58.1	-32.5	Covid-19
<b>Austin, TX</b>	<b>50.1</b>	<b>-43.4</b>	<b>Covid-19</b>
Chicago, IL	40.8	-41.0	Covid-19
Washington, DC-MD-VA	44.4	-42.3	Covid-19
New York, NY	56.4	-43.0	Covid-19
Minneapolis/St Paul, MN-WI	38.5	-44.7	Covid-19
Boston, MA	43.4	-44.8	Covid-19



**344 Hotels**  
**36,779 Rooms**  
**86% Participation**

# **Austin, TX Market and Submarket Performance**



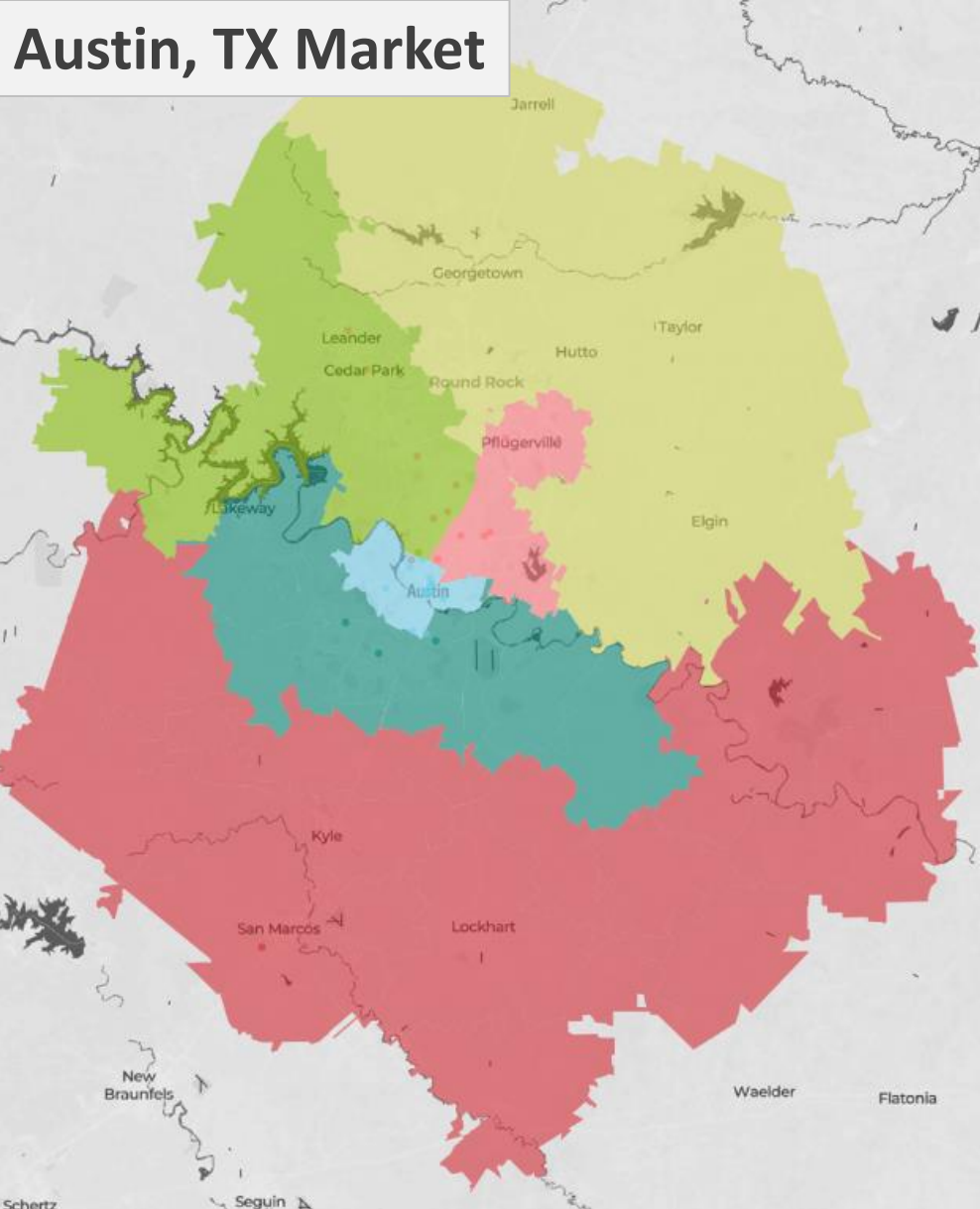
## Key Statistics

Austin, TX Market – April 2020 YTD

		<u>% chg</u>
Occ	50.1%	-32.4%
ADR	\$128	-16.3%
RevPAR	\$64	-43.2%

Rm Rev \$318mn -42.2%

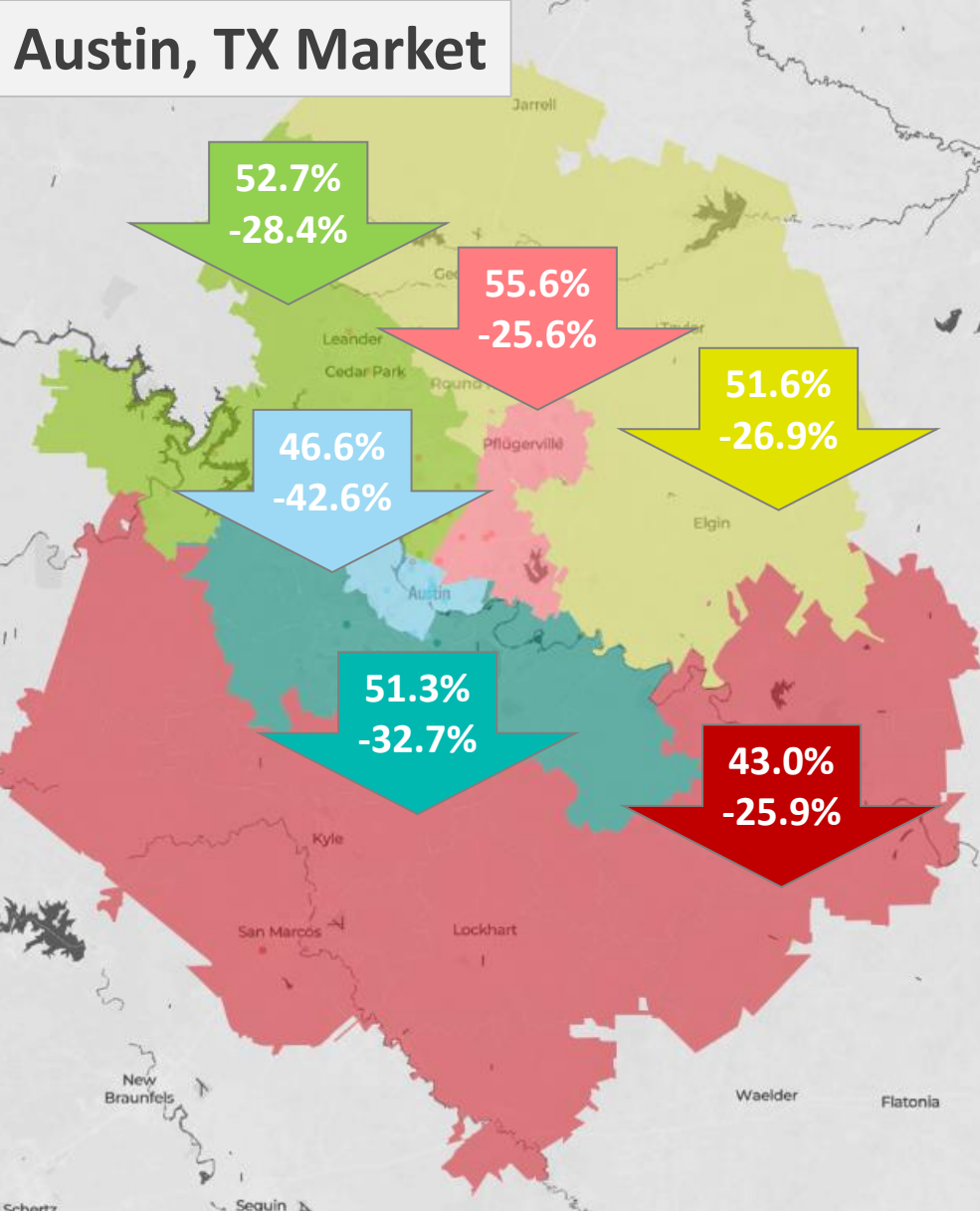
Supply	4.9mn	2.1%
Demand	2.5mn	-31.0%



- Austin Central Business District, TX
- Austin Northwest/Arboretum, TX
- Austin US-290/I-35 Area, TX
- Round Rock/Georgetown, TX
- San Marcos/Austin Surrounding, TX
- South Austin/Airport, TX



# Austin, TX Market



## Occupancy

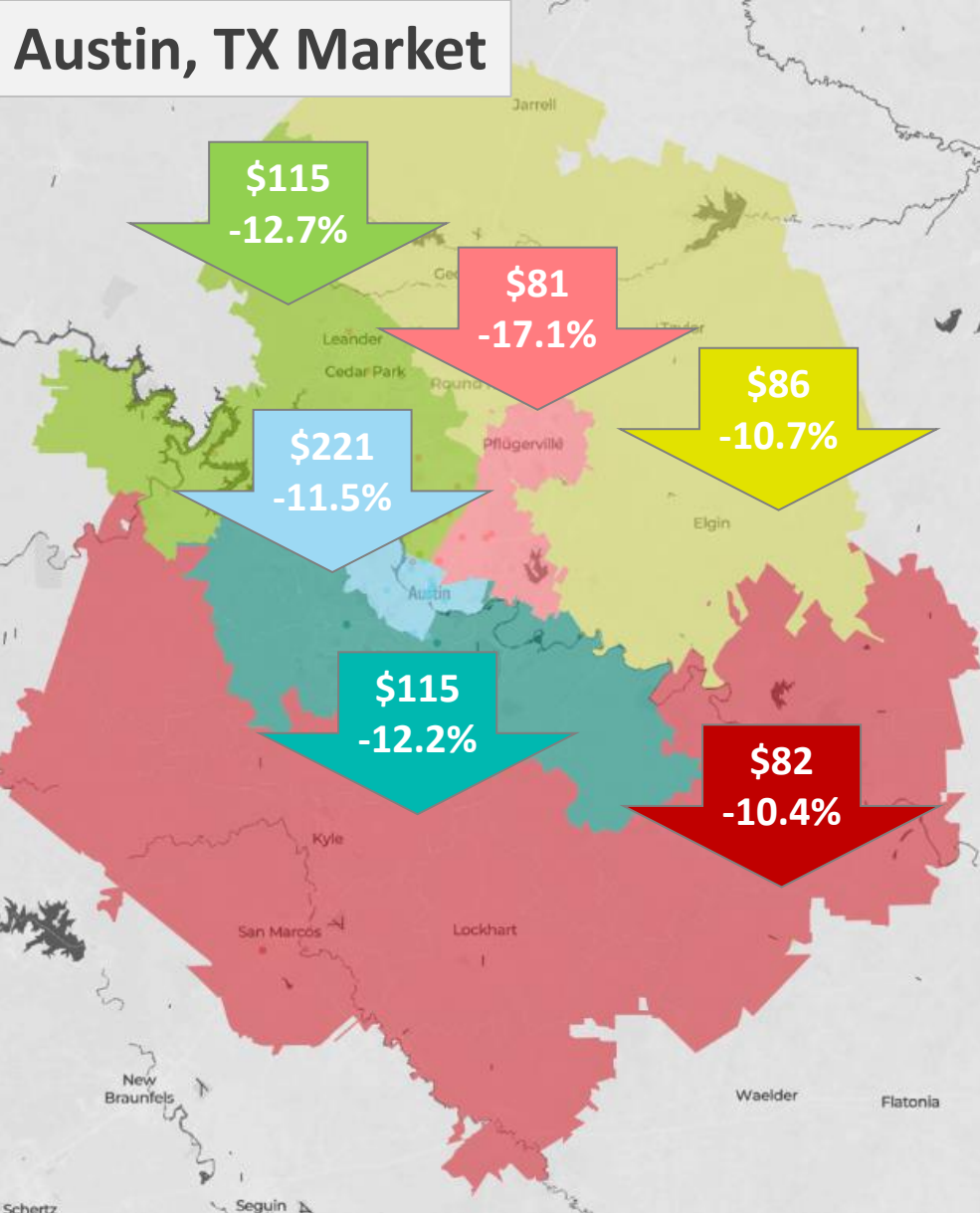
# 50.1%

## -32.4% change

Austin, TX Market – April 2020 YTD

- Austin Central Business District, TX
- Austin Northwest/Arboretum, TX
- Austin US-290/I-35 Area, TX
- Round Rock/Georgetown, TX
- San Marcos/Austin Surrounding, TX
- South Austin/Airport, TX

# Austin, TX Market



**ADR**

**\$128**

**-16.3% change**

Austin, TX Market – April 2020 YTD

- Austin Central Business District, TX
- Austin Northwest/Arboretum, TX
- Austin US-290/I-35 Area, TX
- Round Rock/Georgetown, TX
- San Marcos/Austin Surrounding, TX
- South Austin/Airport, TX

## Recap: Austin, TX KPI Growth by Submarket



	Occupancy	ADR	RevPAR	Supply	Demand
Austin Central Business District	-42.6%	-11.5%	-49.2%	+0.7%	-42.1%
Austin NW / Arboretum	-28.4%	-12.7%	-37.5%	-1.4%	-29.4%
Austin US-290 / I-35	-25.6%	-17.1%	-38.3%	-0.1%	-25.6%
Round Rock / Georgetown	-26.9%	-10.7%	-34.7%	+5.4%	-22.9%
San Marcos / Austin Surrounding	-25.9%	-10.4%	-33.6%	-0.2%	-26.0%
South Austin / Airport	-32.7%	-12.2%	-40.9%	+9.4%	-26.4%
Austin, TX Market	-32.4%	-16.3%	-43.4%	+2.1%	-31.0%



# Day of Week Trends

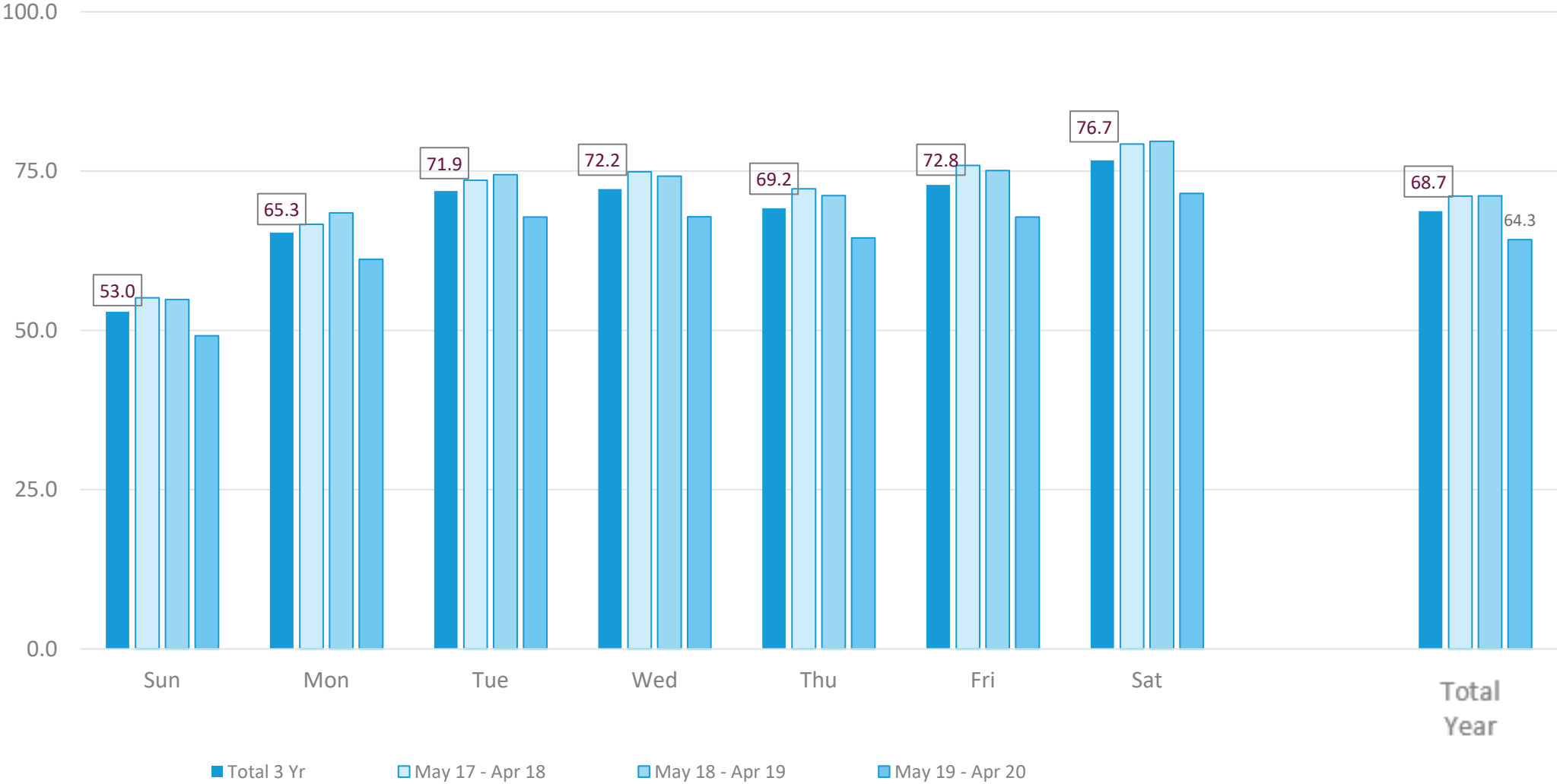


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# Austin, TX – 3 Year Occupancy by Day of Week

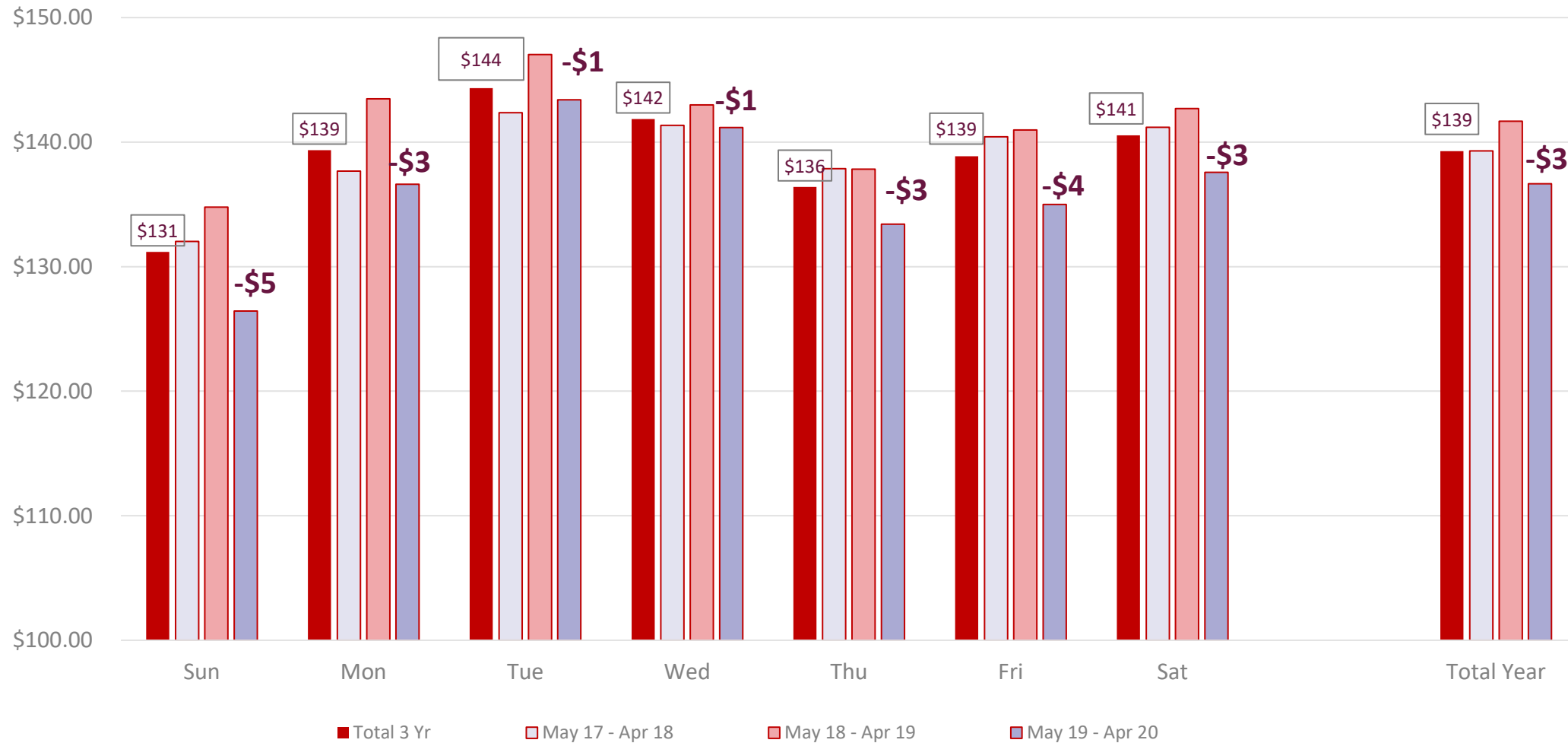
## 12MMA



Source: STR. 2020 © CoStar Realty Information, Inc.

# Austin, TX Market – 3 Year ADR by Day of Week

## 12MMA



+\$ represents current year premium over 3 year average – April 2020 12MMA

Source: STR. 2020 © CoStar Realty Information, Inc.





# Pipeline



# US Pipeline: I/C Rooms Increase Slowly

by Phase, '000s Rooms, April 2020 and 2019

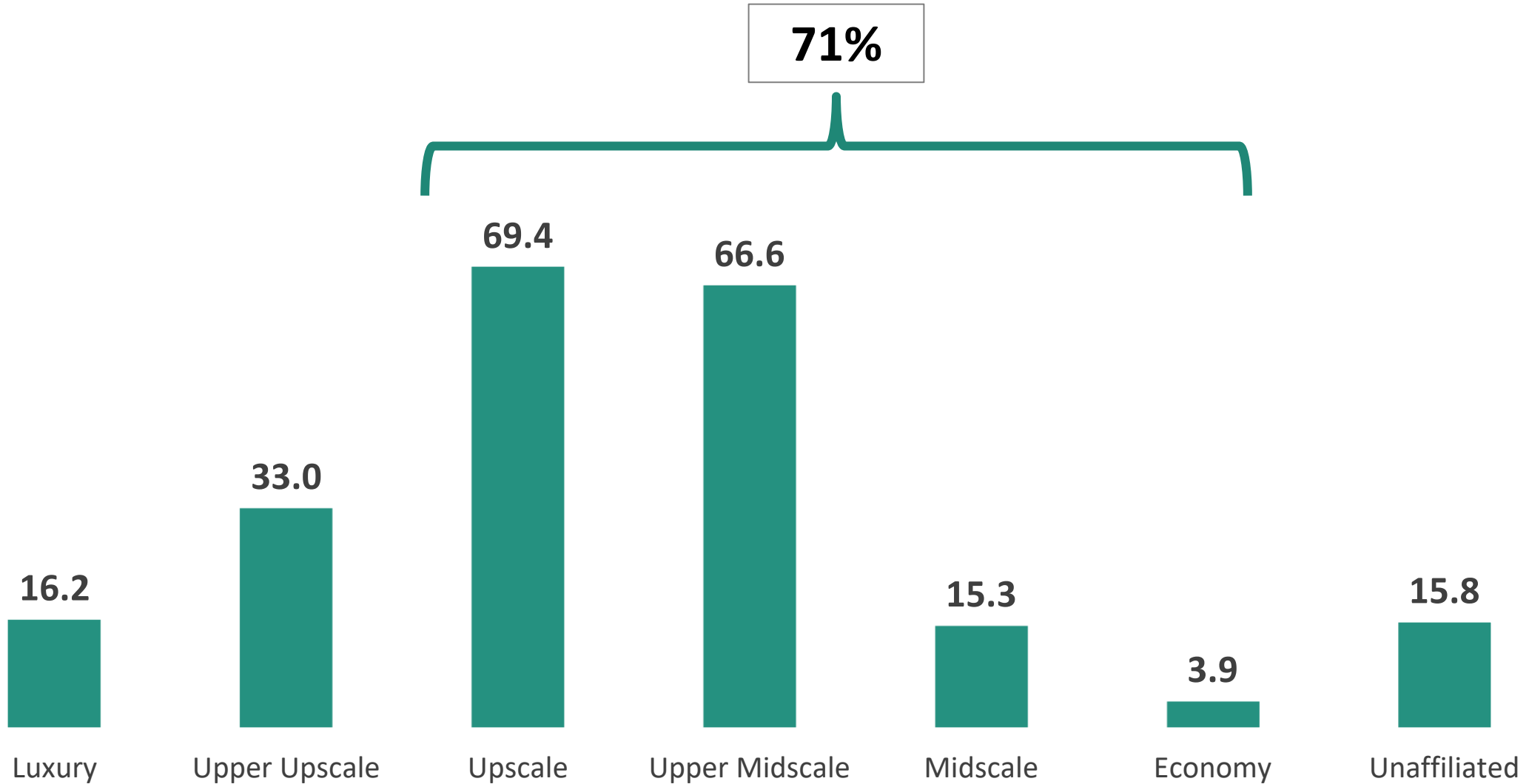


<u>Phase</u>	<u>2020</u>	<u>2019</u>	<u>% Change</u>
In Construction	220	203	8%
Final Planning	244	1221	11%
Planning	220	238	-7%
<b>Under Contract</b>	<b>684</b>	<b>658</b>	<b>3.6%</b>

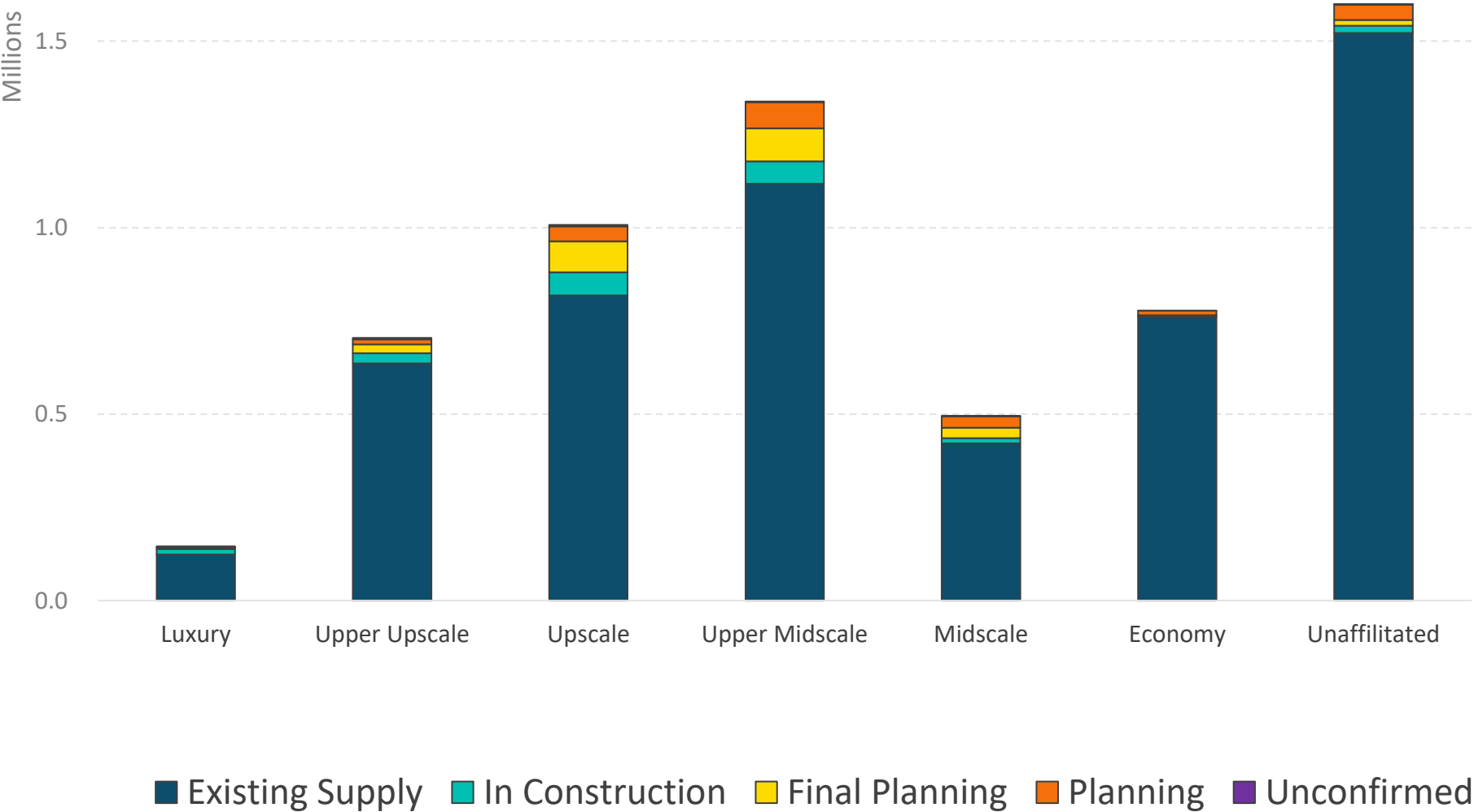


# Limited Service Construction Dominates

I/C Rooms, '000s Rooms, by Scale, April 2020

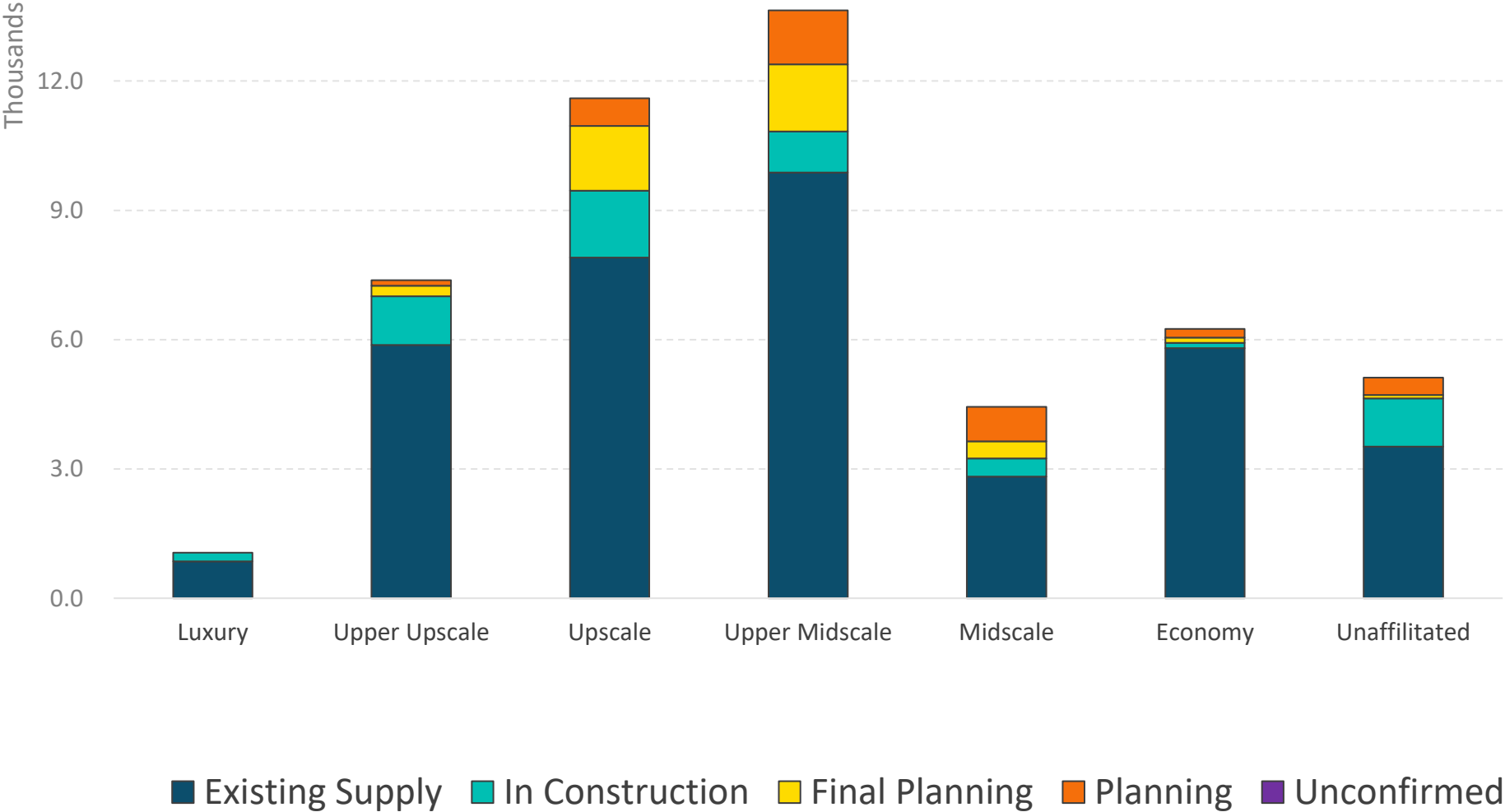


# Total U.S. Hotel Inventory and Pipeline



- Planning**  
Construction to begin in 13+ Months
- Final Planning**  
Construction to begin within the next year
- In Construction**  
Vertical construction has commenced
- Existing Supply**  
Open for business

# Austin, TX Market Hotel Inventory and Pipeline



## Planning

Construction to begin in 13+ Months

## Final Planning

Construction to begin within the next year

## In Construction

Vertical construction has commenced

## Existing Supply

Open for business



# 2020/2021 Forecasts

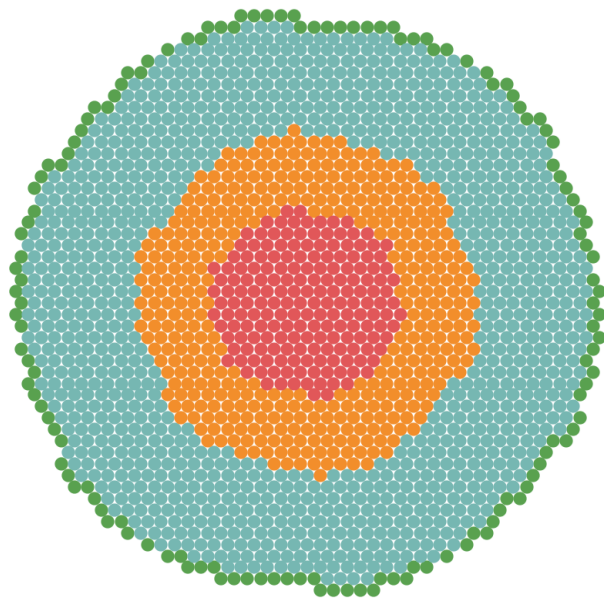


# Global Recovery

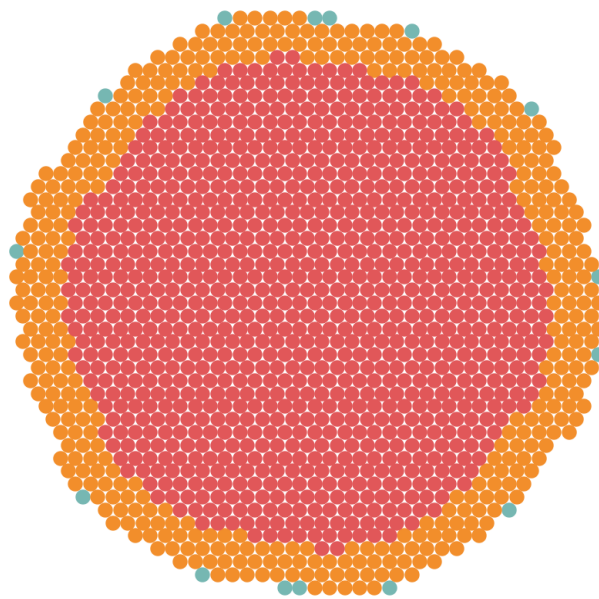
WW Sub-Markets, Occupancy actuals 25% buckets. Rolling 7 days



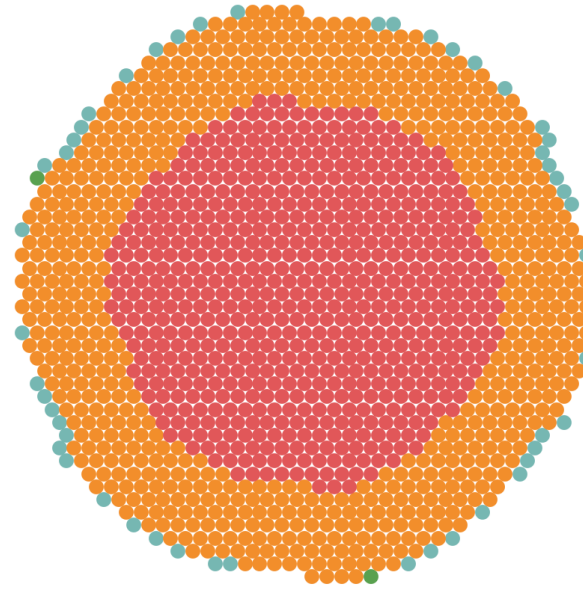
R7until 07 March



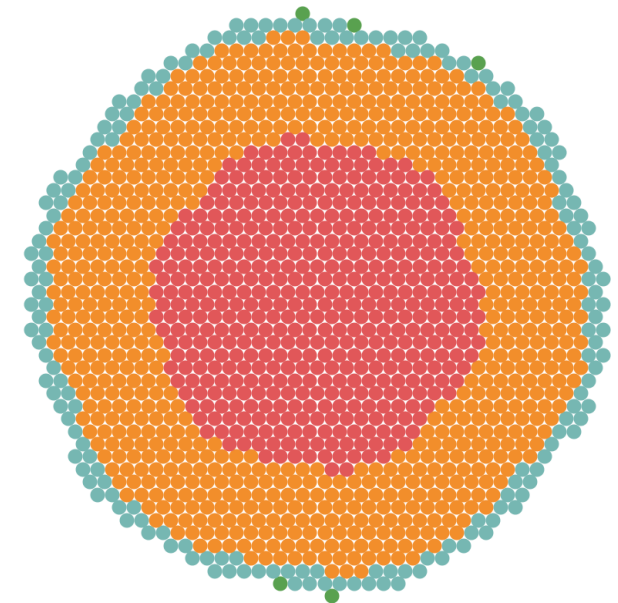
R7 until 04 April



R7 until 09 May



R7 until 6 June



## Occupancy Bucket

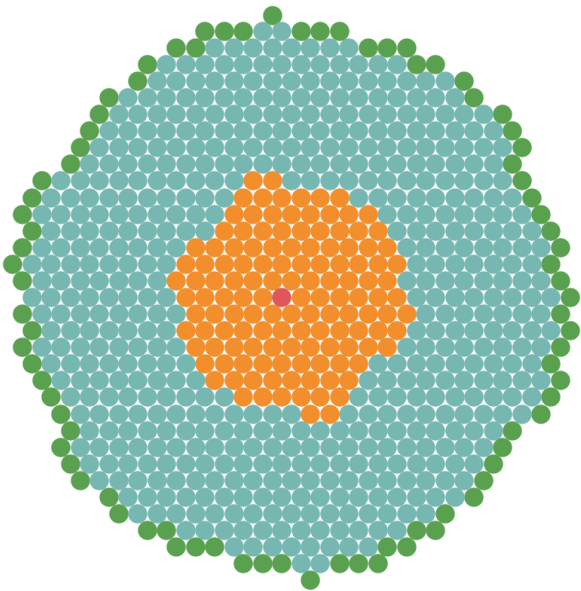
- <25%
- >25-50%
- >50-75%
- >75-100%

# North America Recovery

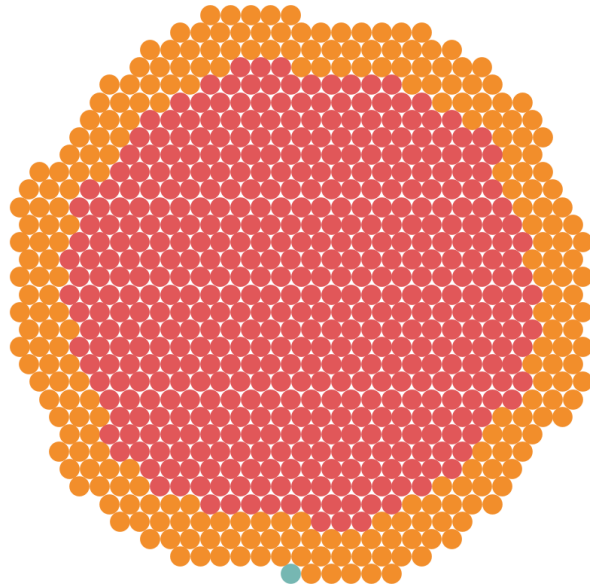
WW Sub-Markets, Occupancy actuals 25% buckets. Rolling 7 days



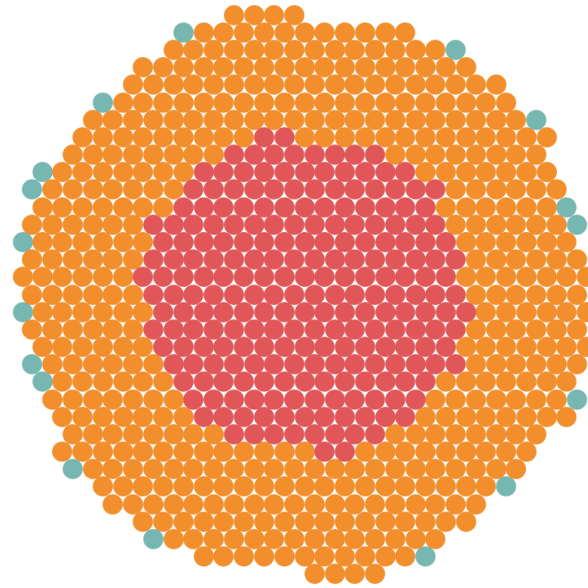
R7until 07 March



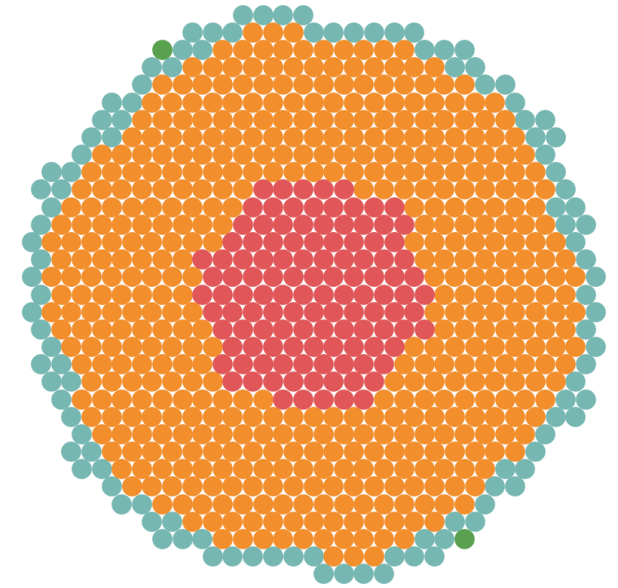
R7 until 04 April



R7 until 09 May



R7 until 6 June



## Occupancy Bucket

- <25%
- >25-50%
- >50-75%
- >75-100%

# Total U.S. Key Performance Indicator Outlook

(% Change vs. Prior Year)

2019A – 2021F as of May 2020

Outlook			
	2019 Actual	2020 Forecast	2021 Forecast
Supply	+2.0%	-5.2%	+7.7%
Economic Supply*	+2.0%	+1.4%	+2.5%
Demand	+2.0%	-45.0%	+49.1%
Occupancy	-0.1%	-45.8%	+45.5%
ADR	+0.9%	-21.6%	+1.7%
RevPAR	+0.9%	-57.5%	+48.0%

\*Reflects economic methodology, which assumes no temporary hotel closures.

# Total U.S. Key Performance Indicator Outlook

(Absolute Values)

2019A – 2021F as of May 2020

		<i>U.S. Outlook</i>		<b>For Comparison</b>
<b>Year</b>	<b>2019</b>	<i>2020 Forecast</i>	<i>2021 Forecast</i>	<b>2010</b>
<b>Occupancy</b>	66.1%	35.8%	52.1%	57.6%
<b>ADR</b>	\$131	\$103	\$105	\$98
<b>RevPAR</b>	\$87	\$37	\$55	\$56

**-37%**





# Questions



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# STR Resources



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## Data Solutions

### PERFORMANCE DATA

- › Competitive Benchmarking
- › Industry Trends
- › Profit & Loss (P&L) Reports

### CONSULTING SERVICES

- › Data Analytics Consulting
- › Forecasts
- › Real Estate Consulting

### RESEARCH

- › Consumer Research
- › Business Research
- › Destination and Market Insights

### SUPPLY & DEVELOPMENT

- › Census - Existing Supply
- › Pipeline - Future Supply

### TRAINING

- › Training Courses
- › Certifications
- › Academic Resources

Our global data and analytics services set the hospitality industry standard and inform your decisions through insights into your market and competition.

TREND REPORTS

COVID-19 UPDATES





# COVID-19: Hotel Industry Impact

<https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>



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## COVID-19: Hotel Industry Impact



24 April 2020 Data Insights Blog

Completed analysis pieces and webinar recordings are sorted below in chronological order. Additional webinars are scheduled each week, and we continue to monitor performance data in all world regions with analysis posted as appropriate.

This page will be updated daily; the newsletter will be sent weekly. In order to present the most up-to-date information available, content will be transitioned off of this page after a two-week window. If you're looking for information not included on this landing page, please contact us.

COVID-19 Data Reporting FAQs and Pipeline Project Status

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# COVID-19: Hotel Industry Impact



<https://str.com/data-insights-blog/coronavirus-hotel-industry-data-news>

## Webinar Recordings



21 April - COVID-19 impact on Central and South America hotel performance (Spanish)



16 April - COVID-19: U.S. & Canada hotel weekly performance analysis

## Press Releases and Blogs



24 April - Asia Pacific hotel performance for March 2020



24 April - Video: U.K. performance results for week ending April 18

## Upcoming Webinars



23 April - COVID-19: Europe weekly analysis, Mediterranean hotel performance impact



24 April - COVID-19 impact on U.K. and Ireland hotel performance



28 April - COVID-19 impact on Brazil hotel performance (Portuguese)

## Industry coverage via Hotel News Now

Visit [Hotel News Now](#) for the latest industry news around COVID-19 and its effects on forecasts, performance and earnings.



23 April - Video: U.S. performance results for March and Q1



23 April - Canada hotel results for week ending 18 April

## 5 Things to Know



## DATA DASHBOARD

# 5 things to know: 1 June 2020

01 JUNE 2020 9:12 AM

From the desks of the Hotel News Now Editorial staff:

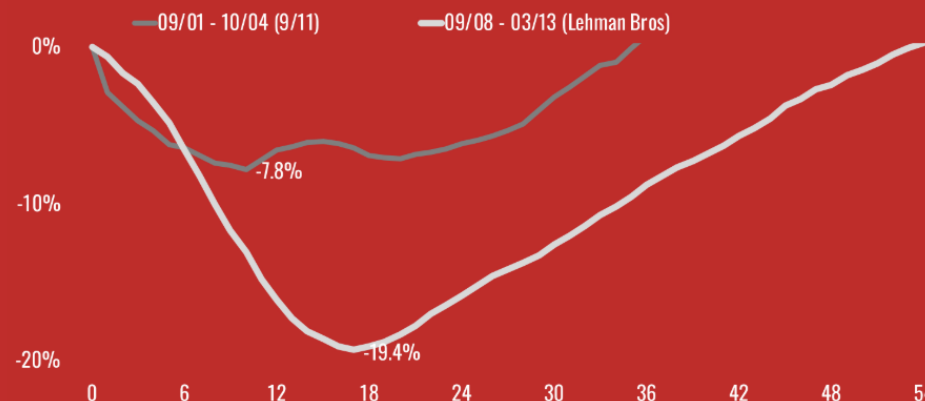
- Curfews, states of
- Stock futures w
- Hotels with secre
- Proof of hotel clea
- Hotels turn into o

## TRENDING

- 1 Extended-stay hotels poised to weather drop in travel
- 2 Companies help laid-off employees in variety of ways
- 3 Accor plans for hazy future as most hotels sit closed
- 4 Revenue strategists essential during, after pandemic
- 5 Lenders: Hotel financing to emerge stronger post-crisis

## RevPAR Rebound After External Shock Takes Time

Total U.S., 12MMA, Monthly RevPAR % Change, Indexed to Event



Source: STR, 2020 © CoStar Realty Information, Inc.

[VIEW ALL DATA PRESENTATIONS](#)

## DATA FEED

STR: US hotel industry still long way from recovery

STR: Central/South America hotel data for March 2020

STR: Asia Pacific hotel performance for March 2020

Examining operating performance at low occupancy levels

STR: Middle East/Africa hotel data for March 2020

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